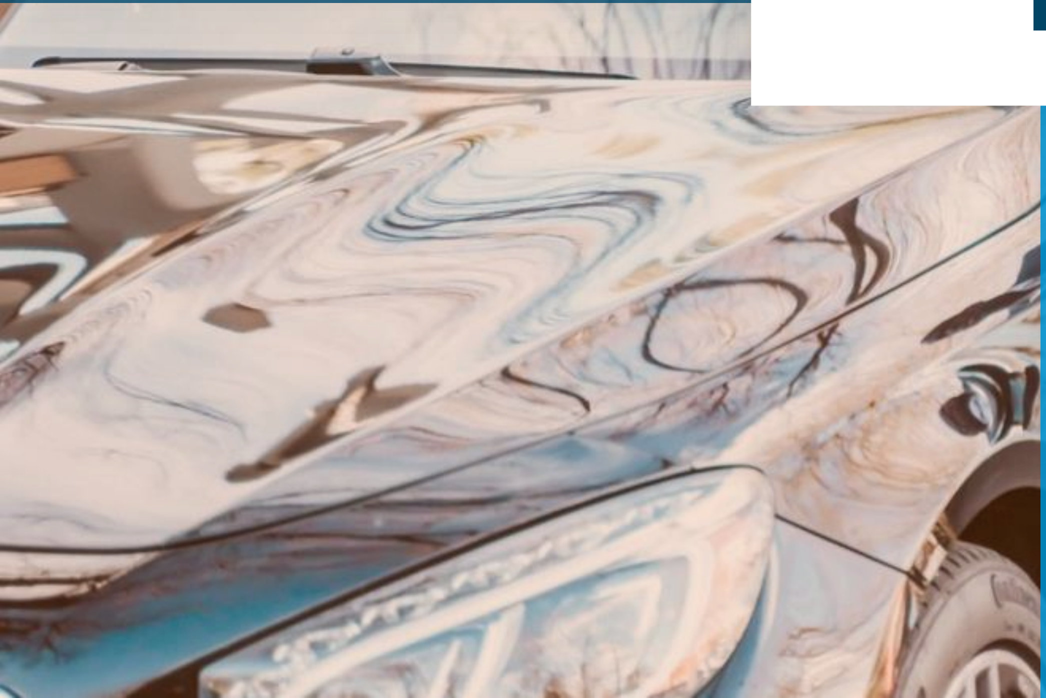
LITHIA & driveway
NYSE:LAD

Investor Presentation



JULY 2022

Disclosure

Forward-Looking Statements

Certain statements in this presentation, and at times made by our officers and representatives, constitute forward-looking statements within the meaning of the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Generally, you can identify forward-looking statements by terms such as "project", "outlook", "target", "may", "will", "would", "should", "seek", "expect", "plan", "intend", "forecast", "anticipate", "believe", "estimate", "predict", "potential", "likely", "goal", "strategy", "future", "maintain", and "continue" or the negative of these terms or other comparable terms. Examples of forward-looking statements in this presentation include, among others, statements regarding:

- *Future market conditions, including anticipated car and other sales levels and the supply of inventory;*
- *Our business strategy and plans, including our 2025 Plan or ("50/50" Plan) and any business expansion;*
- *The growth, expansion, make-up and success of our network, including our acquiring additional and accretive stores;*
- *Annualized revenues from acquired stores;*
- *The growth and performance of our Driveway e-commerce home solution and Driveway Finance, their synergies and other impacts on our business and our realizing Driveway and Driveway Finance-related targets;*
- *The impact of sustainable vehicles and other market and regulatory changes on our business;*
- *Our capital allocations and uses and levels of capital expenditures in the future;*
- *Future expected operating and financial results, such as projections of improved store performance and generation of future revenue or earnings;*
- *Our anticipated financial condition and liquidity, including from our cash and the future availability on our credit facility, unfinanced real estate and other financing sources;*
- *Our continuing to purchase shares under our share repurchase program;*
- *Impacts from the continued COVID-19 pandemic;*
- *Our compliance with financial and restrictive covenants in our credit facility and other debt agreements;*
- *Our programs and initiatives for employee recruitment, training, and retention; and*
- *Our strategies for customer retention, growth, market position, financial results and risk management.*

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity and development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements in this presentation. Therefore, you should not rely on any of these forward-looking statements. The risks and uncertainties that could cause actual results to differ materially from estimated or projected results include, without limitation:

- *Future national and local economic and financial conditions, including as a result of the COVID-19 pandemic, inflation and governmental programs and spending;*
- *The market for dealerships, including the availability of stores to us for an acceptable price;*
- *Changes in customer demand, our relationship with, and the financial and operational stability of, OEMs and other suppliers;*
- *Changes in the completive landscape, including through technology and our ability to deliver new products, services and customer experiences and a portfolio of in-demand and available vehicles;*
- *Risks associated with our indebtedness, including available borrowing capacity, interest rates, compliance with financial covenants and ability to refinance or repay indebtedness on favorable terms;*
- *The adequacy of our cash flows and other conditions which may affect our ability to fund capital expenditures, obtain favorable financing and pay our quarterly dividend at planned levels;*
- *Disruptions to our technology network including computer systems, as well as natural events such as severe weather, or man-made or other disruptions of our operating systems, facilities or equipment;*
- *Government regulations and legislation; and*
- *The risks set forth throughout "Part 11, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and in "Part I, Item 1A. Risk Factors" of our most recent Annual Report on Form 10-K and in "Part II, Item 1A. Risk Factors" of our Quarterly Reports on Form 10-Q, and from time to time in our other filings with the SEC.*

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by law, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures such as adjusted net income and diluted earnings per share, adjusted SG&A as a percentage of revenue and gross profit, adjusting operating profit as a percentage of revenue and gross profit, adjusted pre-tax margin and net profit margin, EBITDA, adjusted EBITDA, leveraged EBITDA and adjusted total debt. Non-GAAP measures do not have definitions under GAAP and may be defined differently by and not comparable to similarly titled measures used by other companies. As a result, we review any non-GAAP financial measures in connection with a review of the most directly comparable measures calculated in accordance with GAAP. We caution you not
to place undue reliance on such non-GAAP measures, but also to consider them with the most directly comparable GAAP measures. We present cash flows from operations in the attached tables, adjusted to include the change in non-trade floor plan debt to improve the visibility of cash flows related to vehicle financing. As required by SEC rules, we have reconciled these measures to the most directly comparable GAAP measures in the attachments to this release. We believe the non-GAAP financial measures we present improve the transparency of our disclosures; provide a meaningful presentation of our results from core business operations, because they exclude items not related to core business operations and other non-cash items; and improve the period-to-period comparability of our results from core business operations. These presentations should not be considered an alternative to GAAP measures.

Lithia & Driveway

The pragmatic disrupter with a proven multifaceted success strategy, uniquely and competitively leading the modernization of personal transportation by providing consumers solutions wherever, whenever, and however they desire.

- Diverse synergistic portfolio of businesses
- Complete ownership lifecycle attachment
- 100% participation in $2 trillion+ market

Fortune 500
- #158 in 2022
- #10 10-year revenue growth, 23% CAGR*
- #16 10-year Total Shareholder Return, 31% CAGR*
- #16 10-year EPS Growth, 32% CAGR*

- 100% national coverage
- Proven expansion execution
- Highly profitable with significant cash flows

*10 year CAGRs and TSR through December 31, 2021

Key Strategic Highlights

2025 Plan: $50 billion in revenues and $55 to $60 in EPS

1

Largest Retail Industry

in Early Innings of Consolidation and Modernization

2

Plan Strategy Overview

Building a diversified and highly adaptable model to maximize addressable market

3

Growth & Scale

Disciplined M&A Generating Strong Returns and Convenient Consumer Accessibility

4

Consumer Optionality

Offerings for All Aspects of Vehicle Ownership and the Entire Lifecycle with Omni-Channel Solutions

5

Adjacencies

Transformative, Systematic Expansion Leveraging Strengths Vertically and Horizontally

Profitably Modernizing an Industry

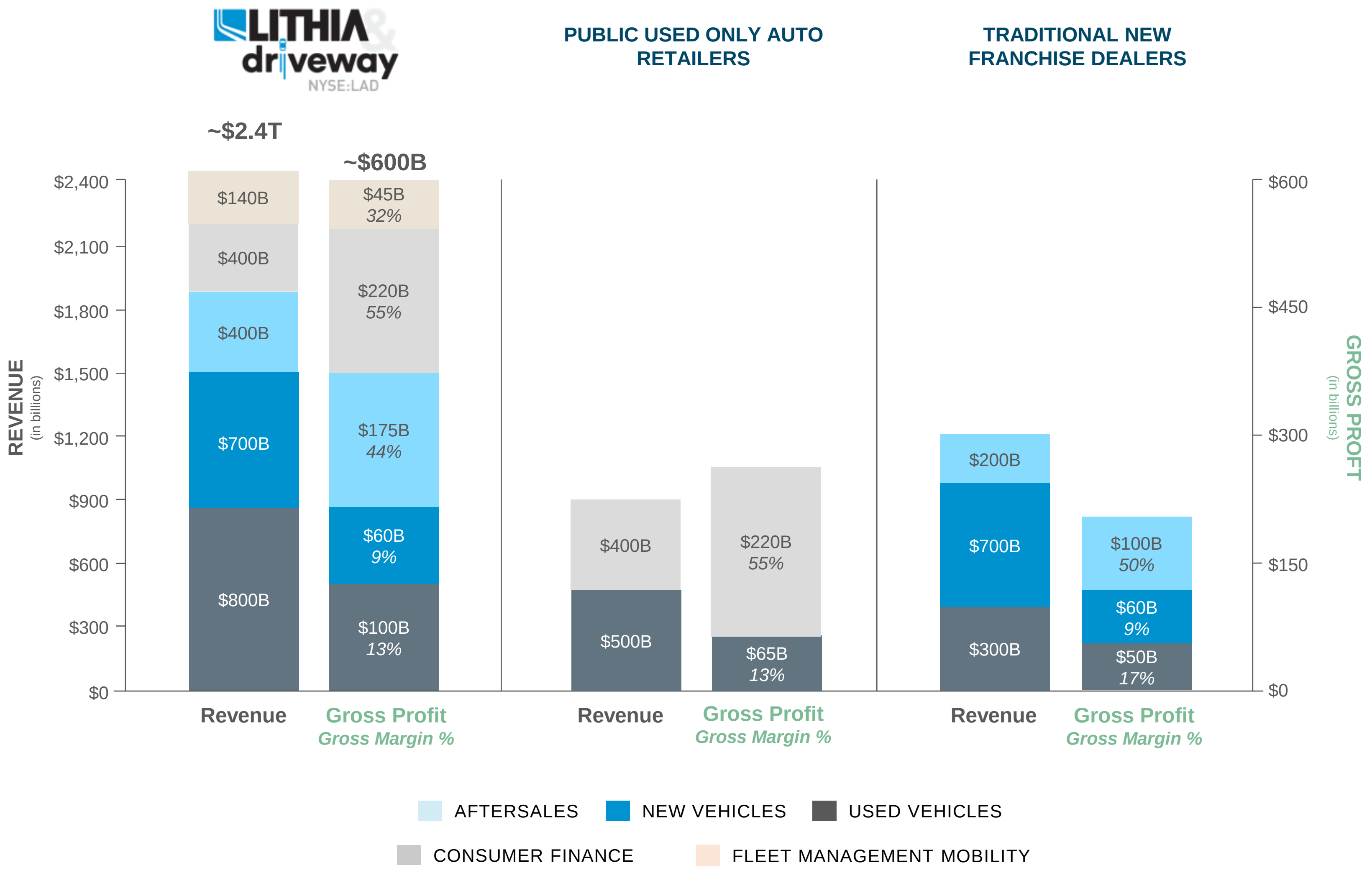
Building a Profitable Platform with Ability to Respond to Changing Consumer and Industry Trends

Over $2 Trillion Revenue Industry

Maximizing addressable market in an unconsolidated industry

Uniquely designed focusing on **maximizing gross profit**

- Diversified with **5+** business lines
- **~$600B** opportunity, 2-3X greater than competitors
- Target **5%** new and used vehicle market share



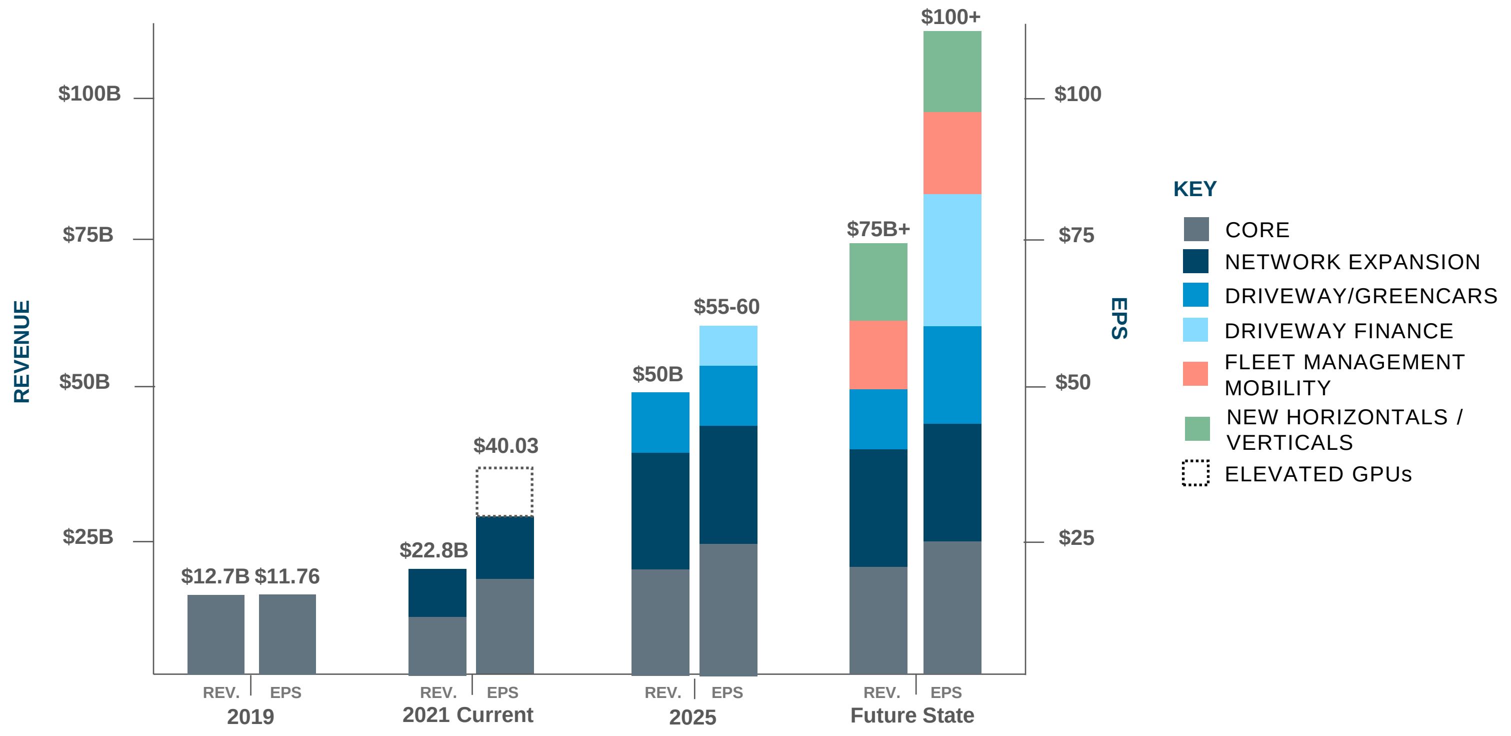
Used vehicles: Assumes Traditional New Franchise Dealers target 0-5 year old used vehicles; Public Used Only Auto Retailers target 0-10 year old used vehicles.
Aftersales: Assumes Traditional New Franchise Dealer addressable market limited by utilization of only OEM parts and represents 50% of the market
Source: IHS Markit 2019 US vehicle registrations, Auto Care Association

LAD Strategy Overview

KEY
VERTICALS - CONSUMER GROWTH (REV)
HORIZONTALS - CONSUMER SYNERGIES (EPS)

2025 & Beyond

Leveraging our platforms with organic growth and adjacencies



2025 PLAN

- Acquisition of network contributing $20B+ in annualized revenue
- Expansion of Driveway and GreenCars generating $9B+ in revenues
- DFC penetration rate grows to 15% and CECL reserves drag on profitability
- Improved cost leverage towards 60% SG&A as a % of gross profit
- GPUs at pre-pandemic levels
- No additional equity issuances required
- Continued exploration of adjacencies with structurally higher margins

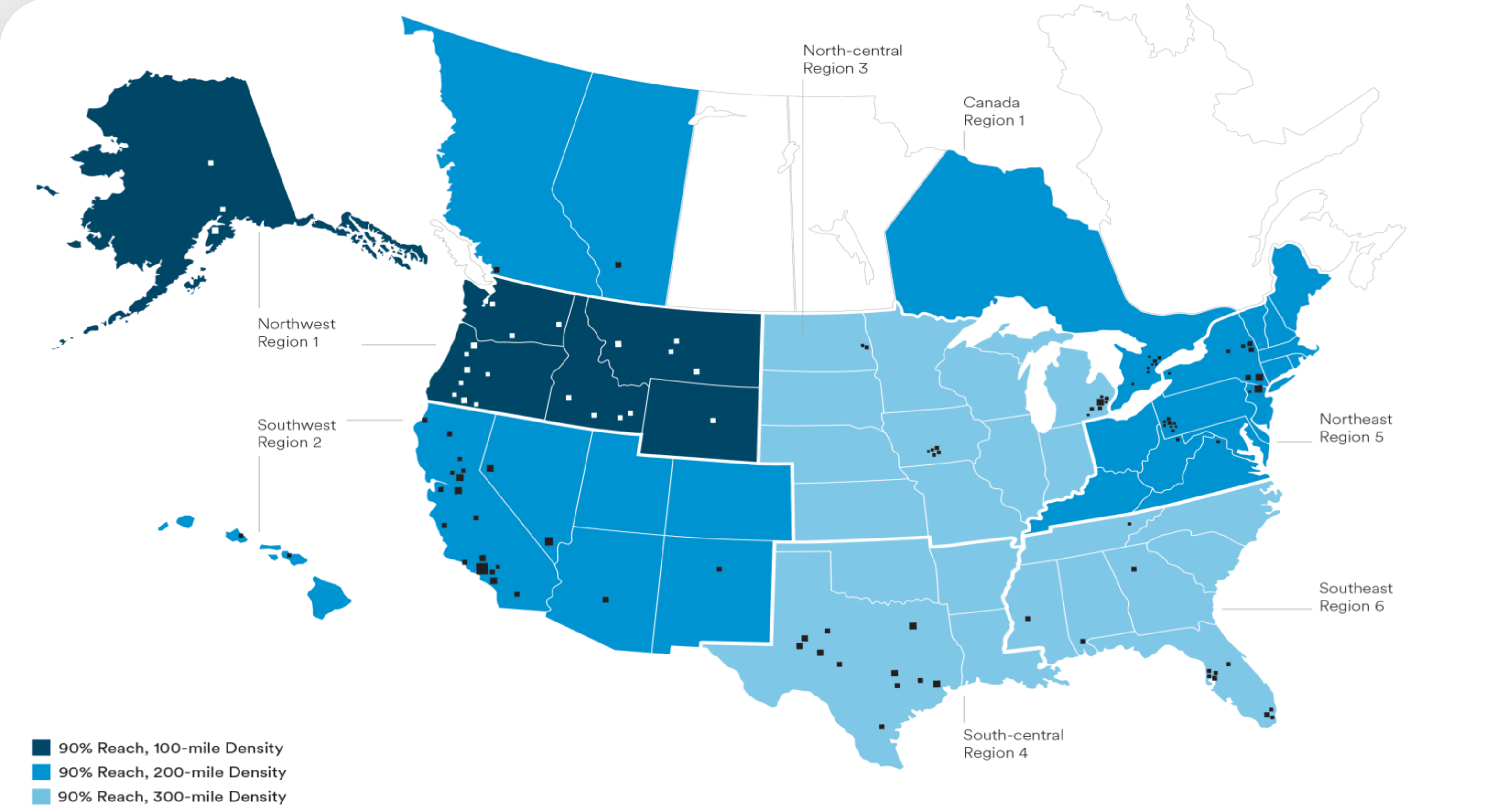
FUTURE STATE

- Opportunity for $1 billion of revenue to produce up to $2 of EPS
- DFC becomes major contributor to profitability
- Incorporating technology and omni-channel solutions to take SG&A as a % of GP below 50%
- Transformative expansion into adjacencies
- Designed to respond to future consumer demand and industry trends

DIVERSIFIED. DYNAMIC. PROFITABLE.

Leveraging Growth & Scale

Annualized revenue run-rate approaching $30 billion



North American presence generates over $2 billion[1] in EBITDA annually

CONSUMER CONVENIENCE

- Expanding physical footprint through M&A to reach 95% of US consumers within 100 miles
- Building network of 400 to 500 stores with a domestic, import and luxury franchise in each key market
- Shortening the distance between our locations and consumers
  - decreases logistics costs
  - increases pace of reconditioning and inventory turns
  - expands procurement capacity

DISCIPLINED M&A STRATEGY

- Decades-long history of high-performing M&A with average ROI over 25%
- Pricing hurdle rates of 15-30% of revenue, 3x-7x EBITDA, 15% ROI

[1] TTM EBITDA as of June 30, 2022

LITHIA MOTORS, INC.

Personnel
Specialist with expertise in vehicles, financing and repair

Inventory
Top of funnel procurement and broadest selection

Facilities
Reaching 95% of US consumers within 250 miles

Technology Enhanced
21% of retail sales use e-commerce solutions

driveway

Innovation
Activating the national network through proprietary digital solutions

Transparency
Negotiation-free pricing and visibility

Convenience
Create a simple, personalized customer experience driven by data science

Consumer Optionality

Interacting with consumers wherever, whenever and however they desire.

U.S. CONSUMER TRENDS

E-Commerce	▪ **59%** interested in buying car entirely online, today **16%** transact through e-commerce
Financeability	▪ Over 80% finance or lease ▪ Elevated used vehicle pricing means **disequity** is at an all time low of 35%
Affordability	▪ Nearly 60% of vehicles purchased are older than **9 years** ▪ Average monthly payment approaching **$500** ▪ Average age of the car parc over **12 years**

driveway FINANCE CORPORATION

Vertical Integration
Expanding margin by diversifying LAD's profitability

Data Insights
Proprietary credit risk model leveraging vast customer data

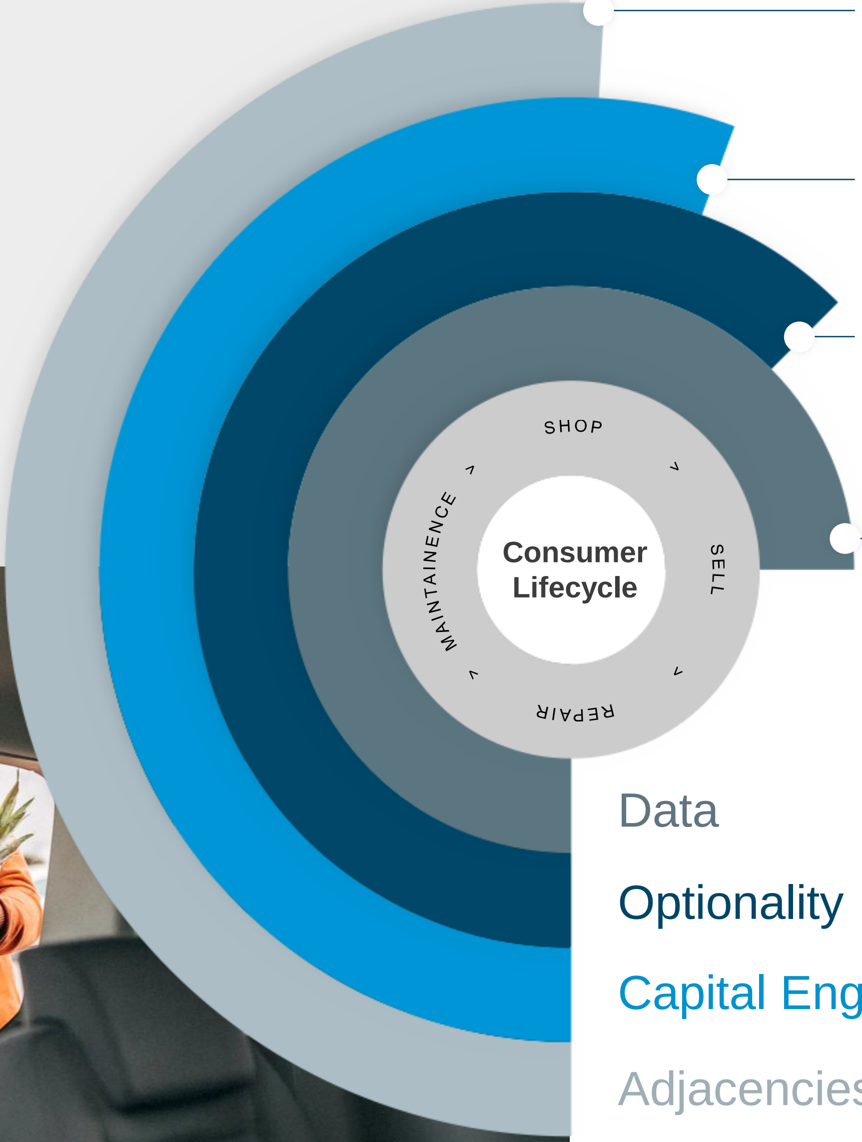
GREENCARS

Education
Advocating sustainable personal transportation at any level

Marketplace
Accelerating a net-zero world with largest selection

Consumer Lifecycle Design

Exploring adjacencies that maximize consumer interaction



Fintech, Fleet Management, Subscription Services, Leasing, Customer Insurance, International Expansion & Other Verticals

Highly profitable Lithia channel provides a platform for future growth

Expanding physical network and overlaying adjacencies drives **synergies and economies of scale** in personnel and cost structure

Increasing volume of customer interactions drives **loyalty, market share growth and increased cash flows**

EMPOWERMENT

Shopping and retail experiences available in-store and online

AFFORDABILITY

Broad Selection of products and services to fit all customer needs

CONVENIENCE

Single interaction point for all aspects of vehicle ownership

75+ YEARS

Of Relationship and Transaction Data

8 MILLION

Paying Customer Transactions Per Year through 5+ Business Lines

2.5 MILLION+

Vehicles Sold in the Past 10 Years

20X

Greater Brand Impressions than Used Only Auto Retailers

Data

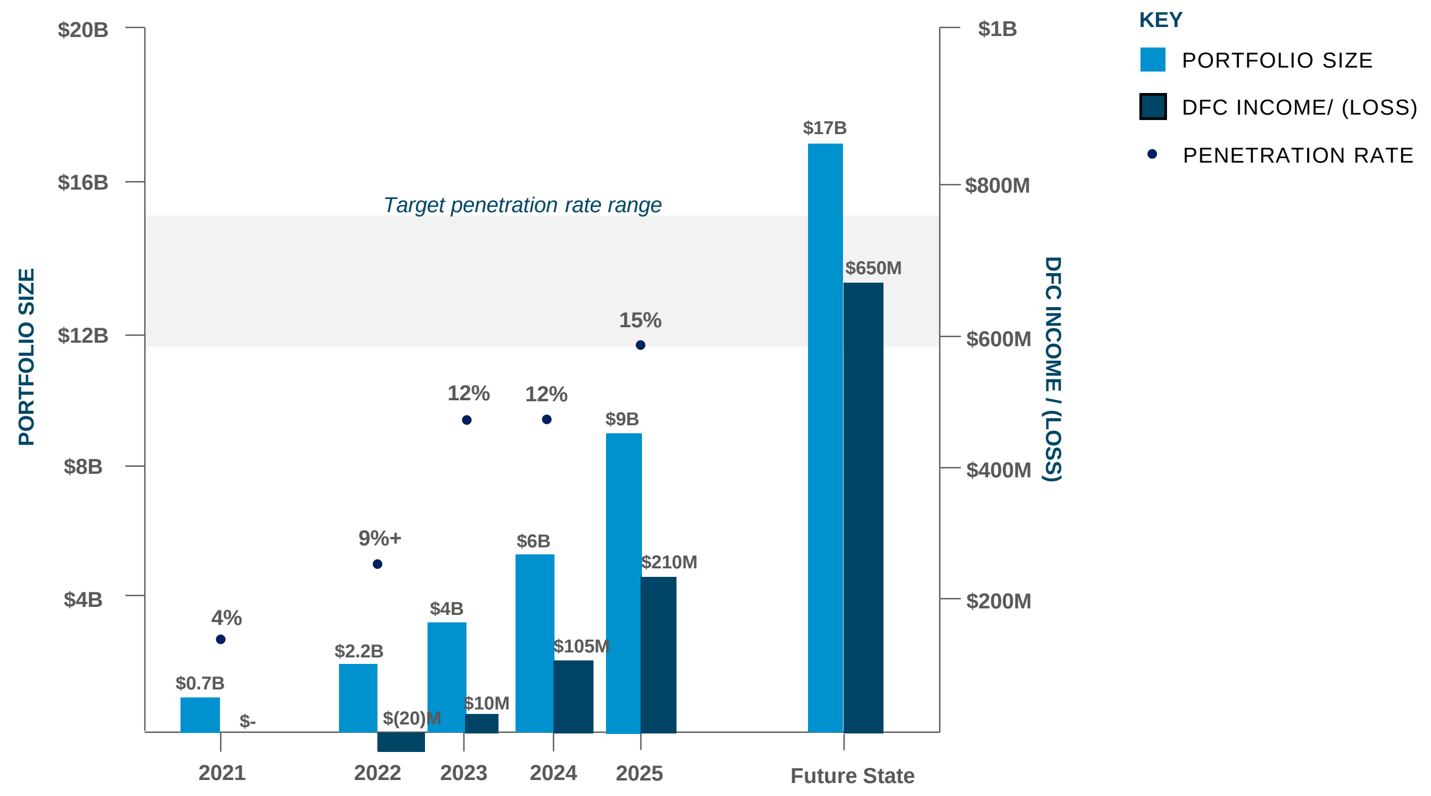
Optionality

Capital Engine

Adjacencies

Driveway Finance Corporation (DFC)

Deriving incremental profitability from the core business, diversifying earnings from business cycle



driveway FINANCE CORPORATION

SIZE OF OPPORTUNITY

- DFC loan contributes at least 3x the profitability of a third-party loan
- Penetrating 15 to 20% of retail units sold

VALUE PROPOSITION

- Top of funnel position drives preferential loan section
- Proprietary credit model leveraging vast customer and transactional data

KPIs

- Average loan balance of $30,000, coupon of 8.6%, term of 7 years, loss ratio of 2.5%, 1/3 new vehicles and 2/3 used vehicles

2022 GUIDANCE

- 9%+ penetration rate
- 70% used / 30% new mix
- $20 million DFC net loss, excluding impact to F&I revenue

Profitably Modernizing an Industry

JOIN THE LITHIA & DRIVEWAY FAMILY
THE LEADER WITH A PROVEN SUCCESS STRATEGY

LAD is a growth company focused on profitably consolidating the largest retail sector in North America through providing personal transportation solutions wherever, whenever, and however consumers desire

Competitive Advantages

- Diversified with 5+ synergistic business lines
- Design addresses the full range of consumer affordability (0-20 year old vehicles, full credit spectrum)
- Physical network with the closest proximity to the consumer, driving efficiencies in procurement, reconditioning, and logistics
- In-store, omni-channel, and end-to-end e-commerce platforms meeting the full range of consumer preferences
- Transportation solutions addressing the full lifecycle of consumer mobility–sales, sourcing, service, financing, insurance, fleet management
- Capital engine generating $2 billion in EBITDA annually, allocated to maximize shareholder return while staying within 2-3x leverage

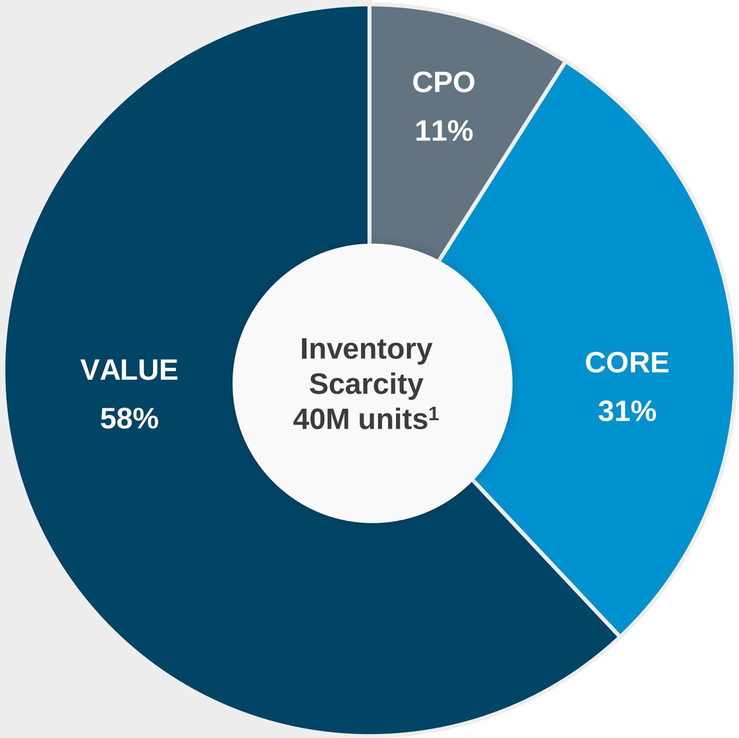
Appendix

Inventory, Strategies, History,
Future, & More

Used Vehicle Marketplace

Addressing largest proportion of used vehicle TAM of any retailer

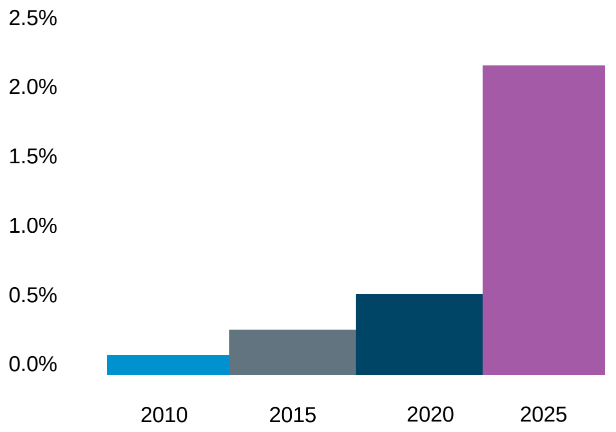
- Inventory procurement and reconditioning are critical. Network growth supercharges ability to procure, distributed network allows it turn faster
- LAD retails 0 to 20-year-old vehicles
- Value autos are highest gross margin %, turns fastest in normalized environment
- 70% of consumers with an average of $5,100 disequity at pre-pandemic values



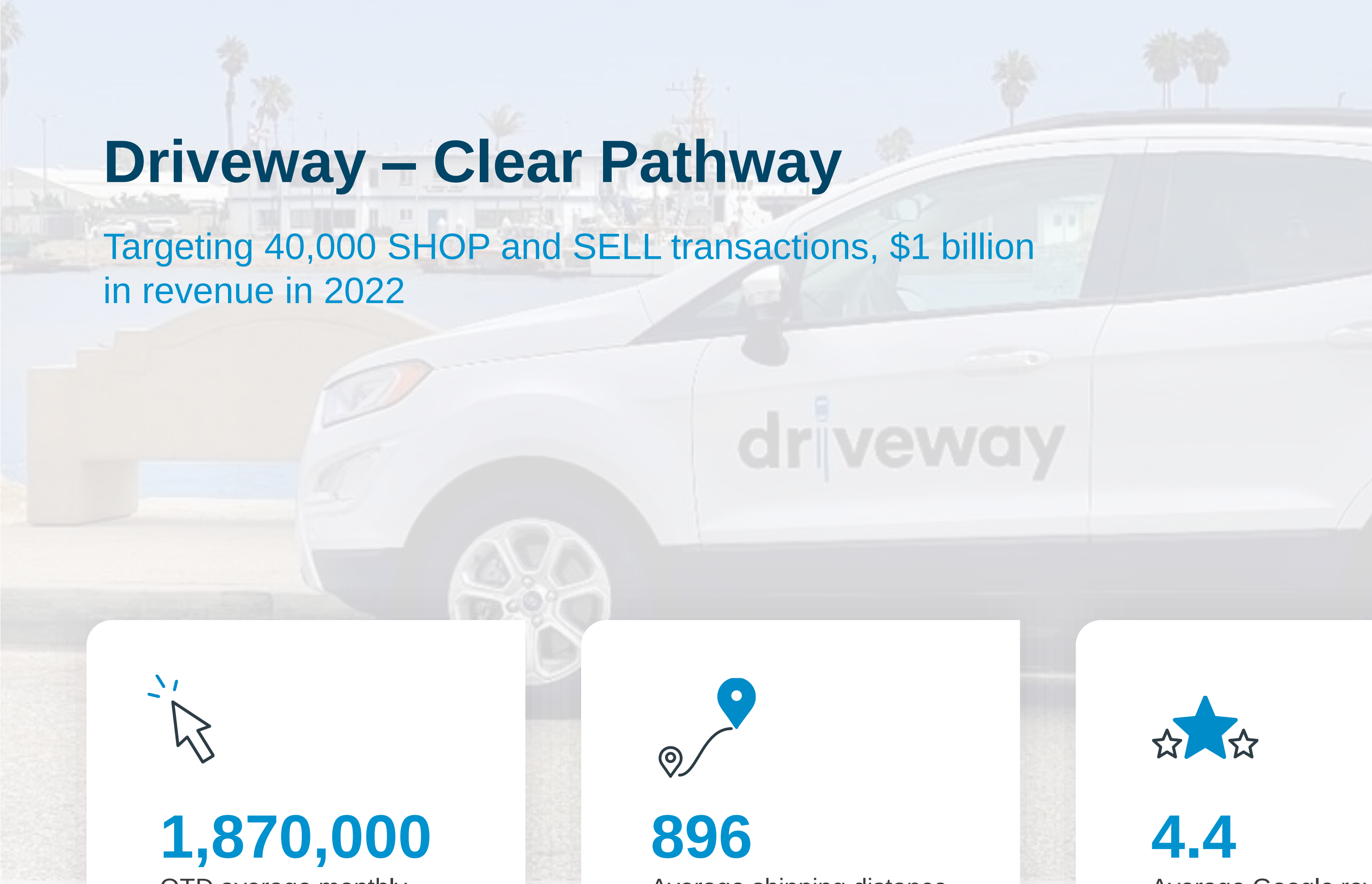
Financial Metrics[2]

	Average Selling Price	ROI
CPO	$35,324	125%
Core	$29,402	92%
Value Autos	$16,568	109%

LAD Market Share[3]



[1] TTM IHS used vehicle registration data for the period ended December 31, 2021 grouped by vehicle age (CPO 0-3 years, Core 4-8 years, Value Autos 9+ years)
[2] Q2 2022 actual results. ROI defined as (GPU / Cost of Sales) x (365 / Days to Turn)
[3] 2010, 2015 and 2020 calculated as Used vehicle retail units sold divided by assumption of 40 million used unit sales annually. 2025 estimated based on sales forecasts



Driveway – Clear Pathway

Targeting 40,000 SHOP and SELL transactions, $1 billion in revenue in 2022

SHOP
- Selection of ~40,000 vehicles
- Negotiation-free pricing, 7-day money-back guarantee, in-home delivery
- Nationwide network of 180+ lenders

SELL/TRADE
- Instant cash offer
- Home pickup
- Immediate payment

SERVICE
- Home pickup & drop-off
- Free loaner vehicles
- 3-year/50,000-mile warranty on parts

1,870,000
QTD average monthly unique visitors

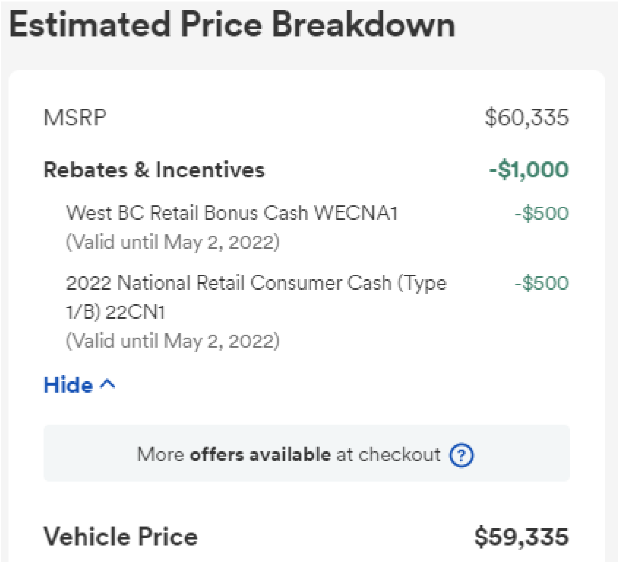
896
Average shipping distance in miles

4.4
Average Google review score out of 5 stars

4,300
Monthly SHOP and SELL transactions in May 2022

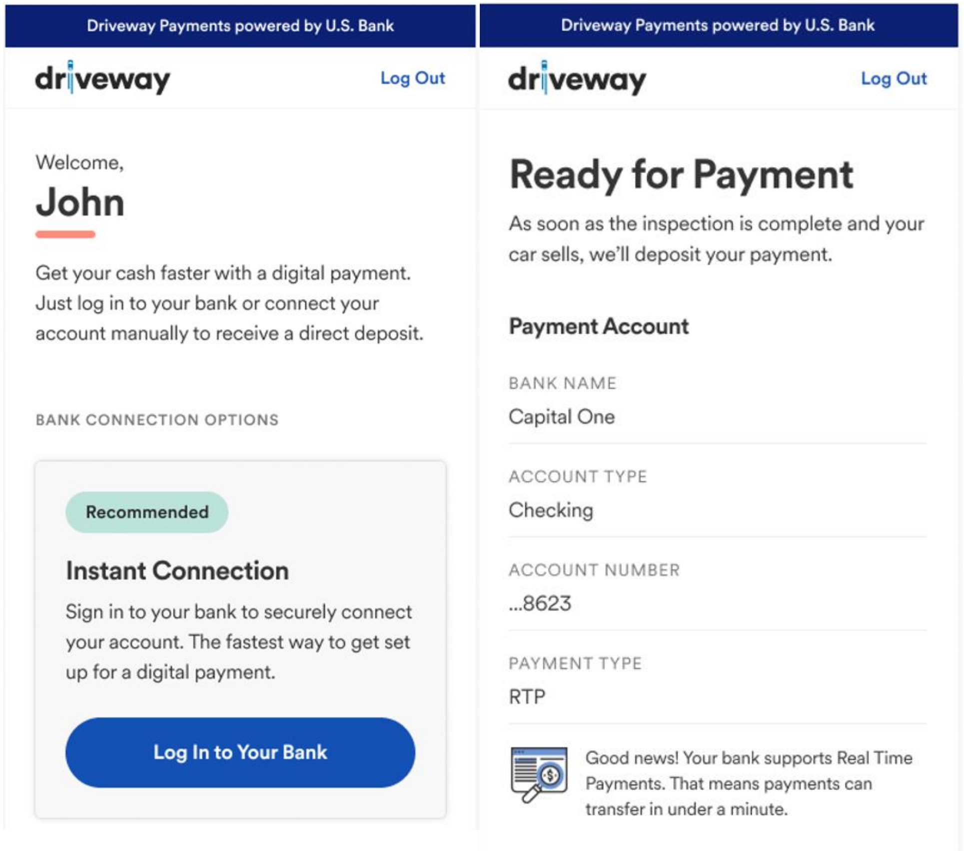
Driveway – Clear Pathway

Shopping experience focused on transparency and convenience



Fully proprietary new car shopping experience

Integrates applicable incentives and rebates for **transparent** upfront pricing



Real Time Payment

First in market offering, pays consumers **instantly** when selling a car to Driveway, no more waiting for the check to clear

Educating on Sustainability

Leading with education the journey to a sustainable future

GREENCARS

Buyer's Guide

GreenCars Score evaluating performance, affordability and environmental impact of electric cars

Ownership Resources

Personalized EV incentives, charging stations, blog, and educational guides

Marketplace powered by Driveway

Conveniently shop for over 1,100 new and used sustainable vehicles

Learning center

Everything you need to know about electric cars, all in one place.

Electrification – Nimbly Responding to Change

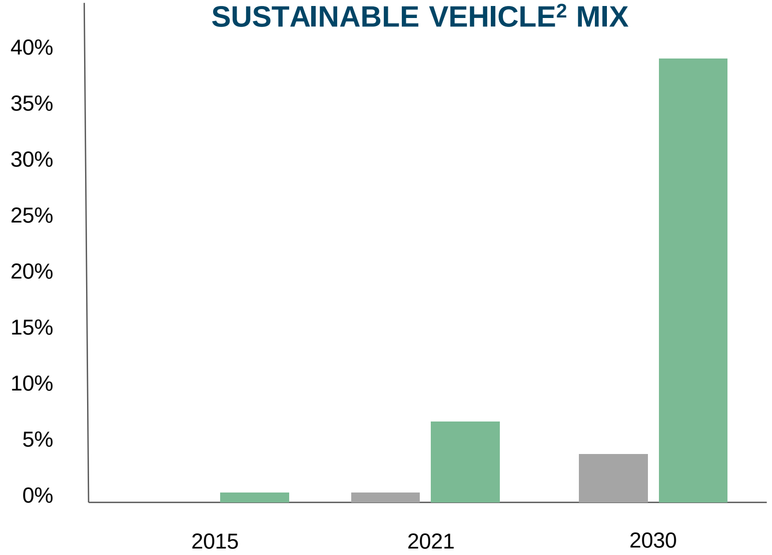
Supporting the transition to a sustainable future

- Early indications are that BEVs have lower initial repair and maintenance costs than ICE vehicles, however impact of battery replacement is not known at this time
- Longer warranty periods and dealer access to proprietary diagnostic and repair equipment drives increased retention
- EV adoption will occur over time due to size of the car parc and affordability. Driveway's in-home service offering will mitigate impact due through conquest of market share

SUSTAINABLE VEHICLE PIPELINE[1]

- OEMs launching over 20 BEVs in 2022, primarily sedans and crossovers in addition to the 15+ currently on sale
- US BEV sales expected to surpass 600,000 in 2022
- MSRP as low as $40,000 before government incentives
- EPA estimated range between 200 and 400 miles

SUSTAINABLE VEHICLE[2] MIX



KEY

- SUSTAINABLE VEHICLES AS % OF SERVICE ROs
- SUSTAINABLE VEHICLES AS % OF NEW UNITS

[1] Car and Driver, (2022, January), *Every Electric Vehicle that's Expected in the Next Five Years,* https://www.caranddriver.com/news/g29994375/future-electric-cars-trucks/
GreenCars, (2022, January), *New Electric Vehicles*, https://tools.greencars.com/vehicles
Reuters, (2021, December), *U.S. new car sales to rise in 2022 on pent-up demand – Edmunds,* https://www.reuters.com/markets/europe/us-new-car-sales-rise-2022-pent-up-demand-edmunds-2021-12-16/
[2] Sustainable vehicle defined as Battery Electric, Hybrid Electric, and Plug-in Hybrid vehicles. 2015 and 2021 calculated as BEV, HEV, PHEV retail units sold as a percentage of total retail sales or Service Repair Orders. 2030 estimated based on OEM commentary and internal data regarding average age of vehicles serviced

LAD’s History & Path Forward

2020

Announces 5-Year Plan to profitably consolidate the automotive industry

Acquires $3.5B in revenues

2021

Launches national brand, Driveway, providing proprietary ecommerce digital home solutions nationwide with in-home pickup and delivery and end-to-end buying experience with financing APIs from 29 lenders

Acquires $6.9B in revenues and makes first international acquisition

Initial Driveway Finance ABS offering

Elevated GPUs provide additional flexibility on e-commerce and DFC growth trajectory

2022

$1 billion in Driveway revenue and completes additional Driveway Finance ABS offerings

Driveway begins nationwide brand marketing

Acquires $2 to 4 billion in revenues, building network in regions 3 and 6

Advances overlay of horizontals on dealership business

2025

Completes build out of US dealership footprint

Driveway platform targets 300,000 vehicles available for sale, distributed among 6 regions

Generating $3 billion EBITDA annually, furthers international expansion and begins expansion into new verticals

Explores overlay of horizontals on new verticals

~2.5% US market share

2030

OEMs expect that 40 to 50% of new vehicles retailed will be zero-emission, constituting 10% of vehicles in operation[1]

Driveway in-home service offering drives conquest of market share and incremental retention of service customers

Verticals and international progressing

Progressing towards ~5% US market share

2035

LAD continues to evolve as percentage of new vehicles retailed that are zero-emission nears 100%

Some manufacturer relationships transition to agency model

5%+ US market share

The statements for 2022 through 2035 are forward-looking plans, targets and projections based on expectations, goals and assumptions by our management and are subject to a number of risks and uncertainties that could cause actual results to differ materially. Please see disclosure on slide 2.

[1]Reuters, (2021, August), *U.S. Automakers to say they aspire up to 50% of EV sales by 2030 - sources*, https://www.reuters.com/business/autos-transportation/us-automakers-say-they-aspire-up-50-ev-sales-by-2030-sources-2021-08-04/

Competitive Advantages

Lower cost network with higher margin businesses

	LITHIA & driveway NYSE:LAD	CARVANA	CARMAX	TRADITIONAL NEW FRANCHISE RETAILERS
Revenue ($mm)[2]	$22,832	$13,676	$31,900	$17,423
Net Income (Loss) ($mm)[2]	$1,063	$(435)	$1,151	$799
Network Cost ($mm)[1, 2]	$3,449	$3,141	$3,746	$2,965
As a % of gross profit[2]	81.0%	142.1%	113.9%	97.2%
Capex as % of gross profit	6.1%	28.9%	9.4%	9.5%
People cost ($mm)	$1,748	$667	$1,326	$1,310
Gross profit / employee	$201,371	$91,857	$100,714	$180,073
Net income / employee	$50,246	$(13,667)	$35,256	$44,265
Reconditioning locations[2]	280	71	105	210
% of inventory procured from consumers	73%	Not disclosed	Not disclosed	Not disclosed
Pure E-Commerce offering?	✓	✓	✓	None
Finance company?	✓	✓	✓	None
Addresses full consumer lifecycle?	✓	None	None	✓
	Year Ended 12/31/2021	Year Ended 12/31/2021	Year Ended 2/28/2022	Year Ended 12/31/2021

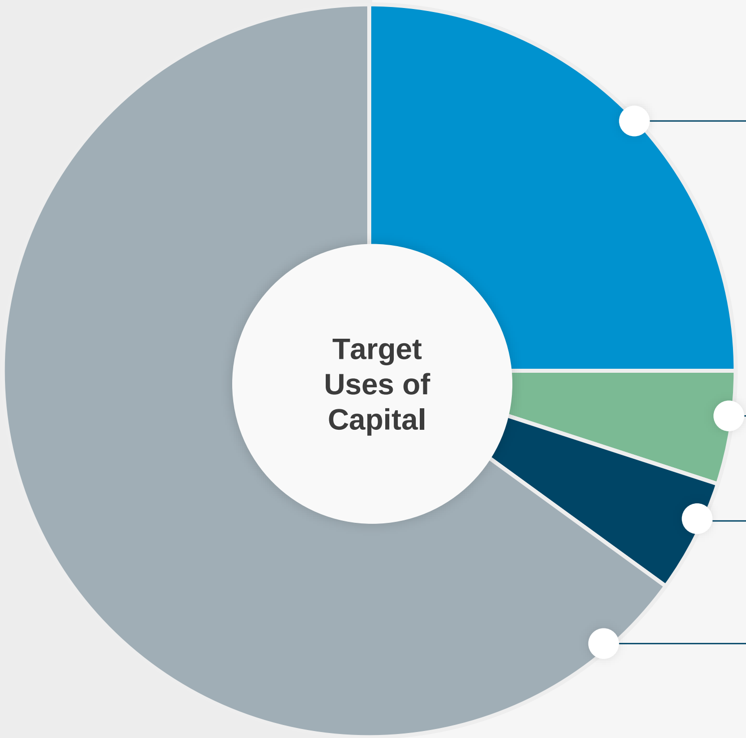
Amounts as of December 31, 2021 except for number of reconditioning locations and % of inventory procured from consumers, which is as of most recent information disclosed

[1] Includes Property and Equipment and ROU assets. Source: Lithia management, company filings and earnings call transcripts
[2] Pro forma amounts including impact of ADESA acquisition per February 24, 2022 8-K/A filing

Capital Deployment

Flexibly allocating capital to maximize shareholder return

- Balancing capital allocation while staying within 2-3x leverage ratio, Investment Grade credit rating will reduce cost of capital over time
- Current priorities are M&A and buildout of Driveway and Driveway Finance - see slide 7 for benefits of overlaying those strategies over our physical network
- Continually re-evaluating allocation based on M&A multiples and stock price
- YTD, we have opportunistically repurchased 2.1 mm shares at an average price of $285, 7.2% of the float



INTERNAL INVESTMENT & MODERNIZATION 25%
Actual 3-year average[1]: 34%

SHARE REPURCHASES 5%
Actual 3-year average: 8%

DIVIDENDS 5%
Actual 3-year average: 5%

ACQUISITIONS 65%
Actual 3-year average: 53%

Maximizing Shareholder Value

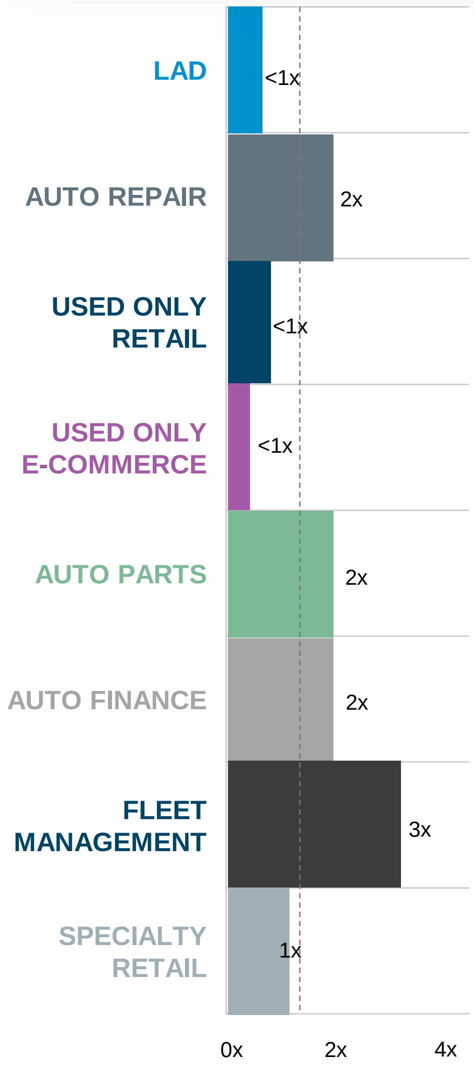
[1] Calculated as percentage of free cash flows generated

Valuation Opportunities

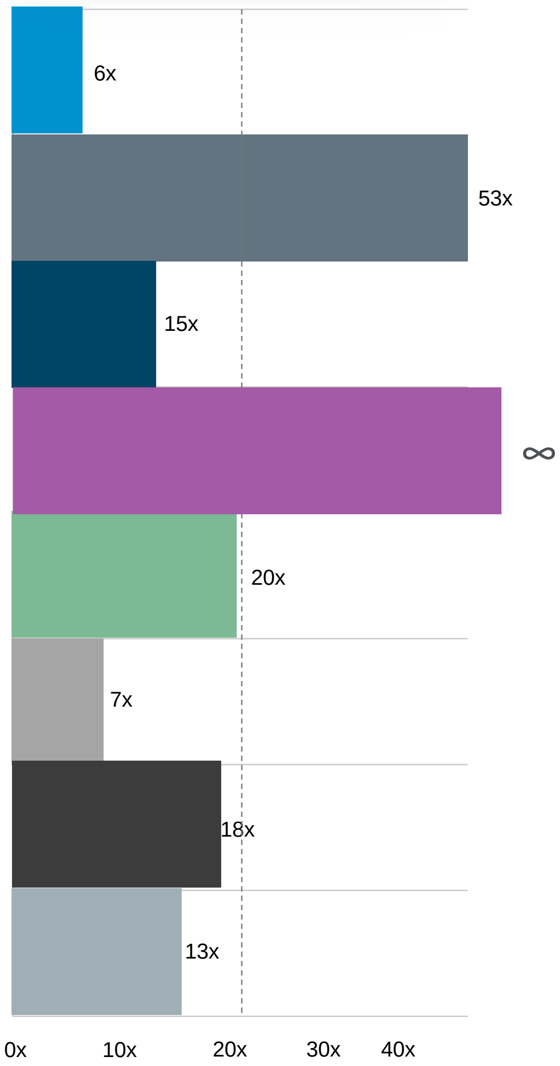
Equivalent stock price at average multiples
EV/Revenue - $1,700
P/E - $1.000

Undervalued by 3-5x

TTM EV/Revenue – Average 1.4x



TTM P/E – Average 21.3x

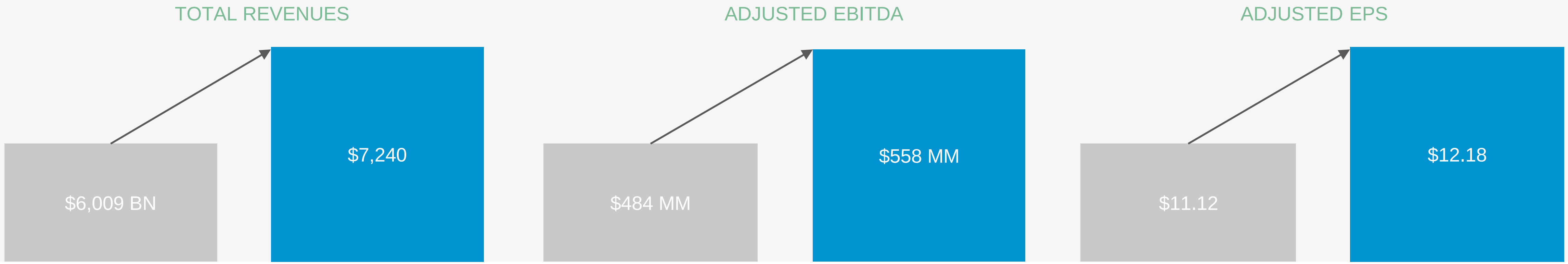


Source: Company Filings for the most recent 12 months available, stock price data as of June 30, 2022

Q2's Income Statement Summary

KEY
- Q2 2021
- Q2 2022

Q2 2022 HIGHLIGHTS



COMMENTARY

- Increased total revenue and gross profit by 21% and 22%, respectively
- Increased adjusted earnings per share by 10%
- Increased adjusted EBITDA by 13%

SAME STORE QUARTER-OVER-QUARTER COMPARISON VS. Q2 2021

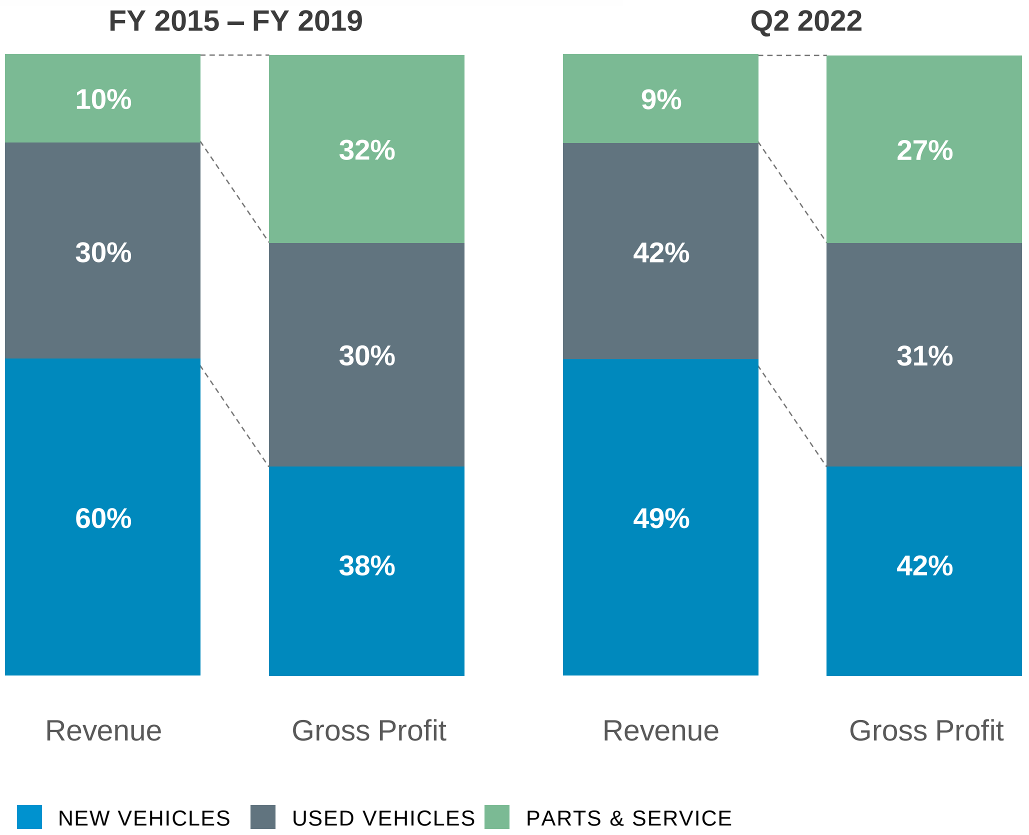
	REVENUE	GROSS PROFIT
New Vehicle	(17)%	4%
Used Vehicle Retail	18%	(14)%
F&I	(2)%	(2)%
Service, Body and Parts	9%	10%
TOTAL	**(1)%**	**(1)%**

Resilient Business Model

Profitable business with diversified brand mix, geographic mix and multiple earnings streams

Business Mix

New and Used Gross profit includes F&I



New Vehicle Mix

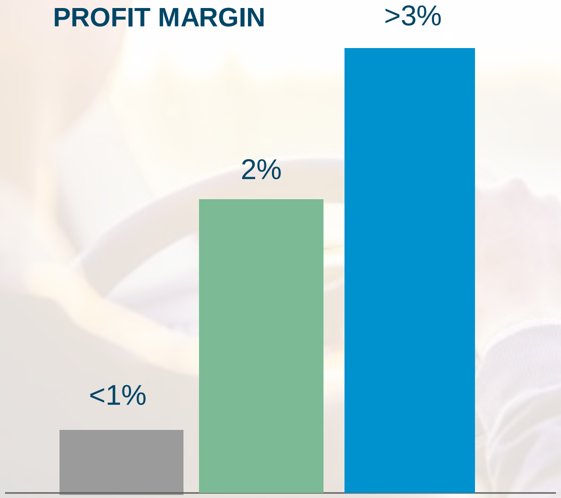
Segment	Segment %	Brand	Brand Revenue	Brand Unit Sales
Import	41%	Toyota	14%	16%
		Honda	11%	14%
		Hyundai	6%	8%
		Subaru	5%	7%
		KIA	3%	3%
		Nissan	2%	2%
		Other Imports	1%	2%
Domestic	33%	Stellantis	15%	13%
		Ford	9%	9%
		GM	7%	6%
Luxury	26%	BMW/MINI	8%	6%
		Mercedes	5%	3%
		Audi	4%	3%
		Lexus	3%	3%
		Porsche	2%	1%
		Acura	2%	2%
		Jaguar/Land Rover	1%	1%
		Other Luxury	2%	1%

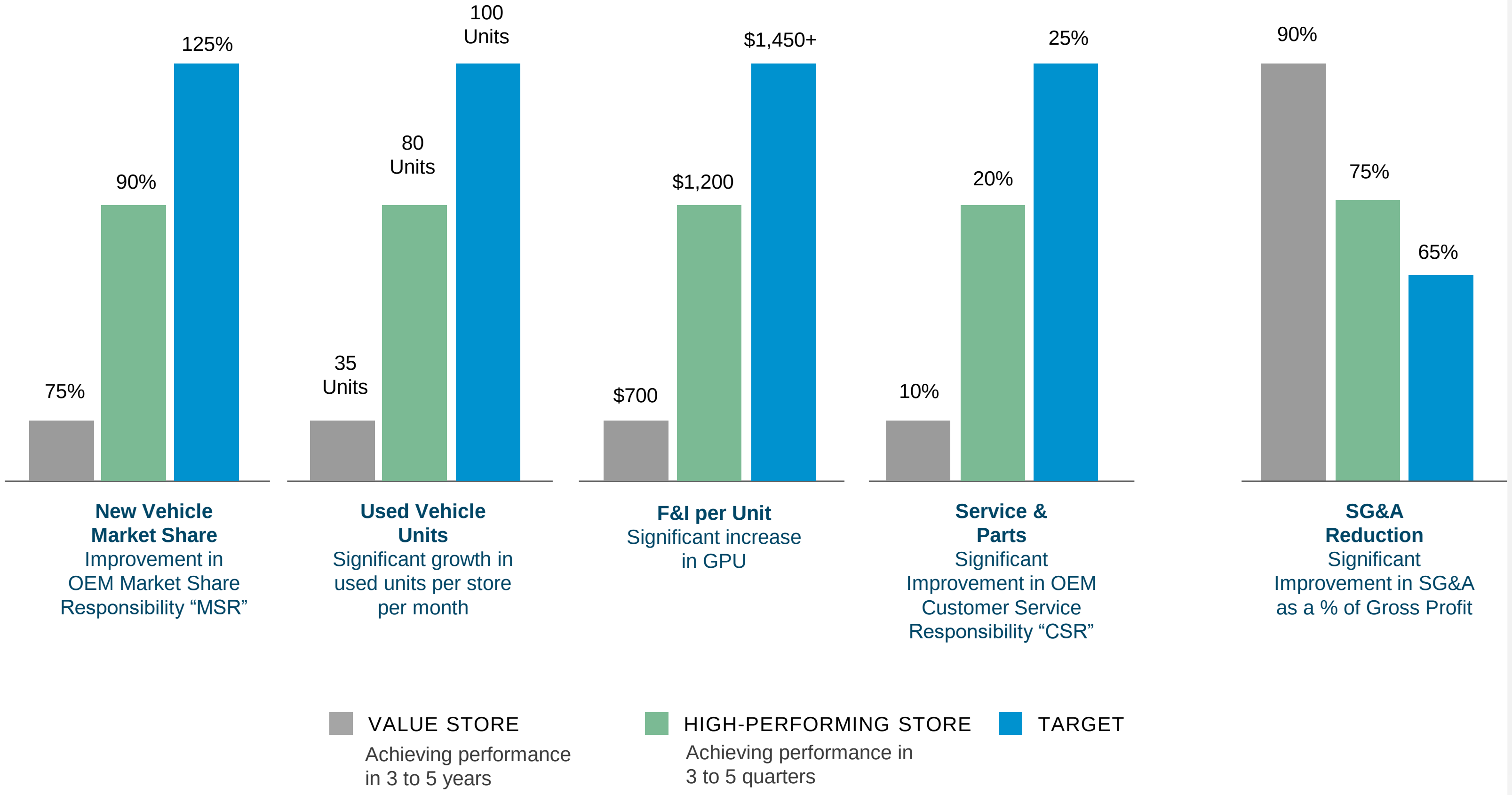
*Other import brands include VW and Mazda
*Other luxury brands include Infiniti, Lamborghini, Genesis, Volvo, Rolls-Royce, and McLaren
*For the three-months ended June 30, 2022.

Acquired Business Earnings Opportunities

Acquiring strong brands and grow profits

FUTURE STATE PRE-TAX PROFIT MARGIN





Supplemental Information

2022 Quarterly Income Statement

$M	Q4	Q3	Q2	Q1	2022
New Vehicle			$3,250.7	$3,061.8	$6,312.4
Used Vehicle			2,509.9	2,234.5	4,744.3
Wholesale Used Vehicles			369.2	385.8	755.1
Finance and Insurance			330.4	313.2	643.7
Service Body and Parts			682.6	627.8	1,310.4
Fleet and Other			97.3	82.2	179.4
Total Revenues			**$7,240.1**	**$6,705.3**	**$13,945.4**
New Vehicle			410.4	401.3	811.7
Used Vehicle			239.4	223.8	463.1
Wholesale Used Vehicles			2.7	7.7	10.5
Finance and Insurance			330.4	313.2	643.7
Service Body and Parts			363.5	329.0	692.5
Fleet and Other			4.3	3.1	7.4
Gross Profit			**$1,350.8**	**$1,278.1**	**$2,628.9**
Asset Impairments			–	–	–
SG&A			781.5	726.1	1,507.6
Depreciation and Amortization			40.9	39.2	80.2
Operating Income			**$528.4**	**$512.8**	**$1,041.1**
Floor Plan Interest Expense			(3.8)	(4.9)	(8.7)
Other Interest Expense			(34.4)	(30.1)	(64.5)
Other Income (expense), net			(21.9)	(8.0)	(29.9)
Income before Taxes			**$468.3**	**$469.8**	**$938.0**
Income Tax Expense			(130.6)	(126.2)	(256.7)
Net Income			337.7	343.6	681.3
Net Income attributable to non-controlling interests			(6.3)	(1.4)	(7.8)
Net Income attributable to LAD			**$331.4**	**$342.2**	**$673.5**

* Sum of QTD may not equal YTD due to rounding

Supplemental Information

2022 Adjusted non-GAAP Income Statement

	YTD 6/30/22	Net disposal gain on sale of stores	Investment loss	Acquisition expenses	YTD 6/30/22
$M, except for per share amounts	As Reported	Q2	Q2	Q2	Adjusted
Selling, general and administrative	$1,507.6	13.1	–	(8.1)	$1,512.9
Operating income	1,041.1	(13.1)	–	8.1	1,036.1
Other income (expense), net	(29.9)	–	33.0	–	3.1
Income before income taxes	938.0	(13.1)	–	8.1	966.0
Income tax (provision) benefit	(256.7)	(9.6)	33.0	(2.5)	(255.7)
Net income	681.3	–	33.0	5.6	710.3
Net income attributable to non-controlling interests	(7.8)	–	–	(0.1)	(7.9)
Net income attributable to LAD	**$673.5**	**$(9.6)**	**$33.0**	**$5.5**	**$702.4**
Diluted earnings per share	$23.15	(0.33)	1.13	0.19	$24.14
Diluted share count	29.1				

Supplemental Information

2021 Quarterly Income Statement

$M	Q4	Q3	Q2	Q1	2021
New Vehicle	$2,960.0	$2,898.2	$3,146.2	$2,193.2	$11,191.7
Used Vehicle	2,018.7	2,079.5	1,804.9	1,352.2	7,255.3
Wholesale Used Vehicles	343.6	260.9	217.4	135.2	957.1
Finance and Insurance	286.3	297.0	269.6	198.4	1,051.3
Service Body and Parts	607.6	578.3	521.0	404.0	2,110.9
Fleet and Other	93.3	55.8	50.3	60.0	259.4
Total Revenues	**$6,309.5**	**$6,169.8**	**$6,009.4**	**$4,343.0**	**$22,831.7**
New Vehicle	398.8	349.3	313.7	156.7	1,218.5
Used Vehicle	225.4	232.6	232.6	136.2	826.7
Wholesale Used Vehicles	16.7	5.7	16.4	4.6	43.4
Finance and Insurance	286.3	297.0	269.6	198.4	1,051.3
Service Body and Parts	311.5	302.5	278.1	218.3	1,110.5
Fleet and Other	5.1	1.9	0.2	1.3	8.6
Gross Profit	**$1,243.8**	**$1,189.1**	**$1,110.6**	**$715.5**	**$4,259.0**
Asset Impairments	–	1.9	–	–	1.9
SG&A	704.3	673.3	634.0	450.4	2,461.9
Depreciation and Amortization	35.8	34.4	30.3	26.8	127.3
Operating Income	**$503.7**	**$479.5**	**$446.3**	**$238.3**	**$1,667.9**
Floor Plan Interest Expense	(5.4)	(3.6)	(6.4)	(6.8)	(22.3)
Other Interest Expense	(28.6)	(28.0)	(28.1)	(23.5)	(108.2)
Other Income (expense), net	(38.0)	(25.7)	7.6	3.4	(52.6)
Income before Taxes	**$431.7**	**$422.2**	**$419.4**	**$211.4**	**$1,484.8**
Income Tax Expense	(139.2)	(113.2)	(114.5)	(55.2)	(422.1)
Net Income	292.5	309.0	304.9	156.2	1,062.7
Net Income attributable to non-controlling interests	(1.5)	(1.1)	–	–	(2.6)
Net Income attributable to LAD	**$291.0**	**$307.9**	**$304.9**	**$156.2**	**$1,060.1**

* Sum of QTD may not equal YTD due to rounding

Supplemental Information

2021 Adjusted non-GAAP Income Statement

	YTD 12/31/21	Net disposal loss (gain) on sale of stores			Asset impairments	Investment loss (gain)				Insurance reserves				Acquisition expenses				Loss on redemption of senior notes	YTD 12/31/21
$M, except for per share amounts	As Reported	Q1	Q2	Q4	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q3	Adjusted
Asset impairments	$1.9	$–	$–	$–	$(1.9)	$–	$–	$–	$–	$–	$–	$–	$–	$–	$–	$–	$–	$–	$–
Selling, general and administrative	2,461.9	(0.7)	(4.5)	5.2	–	–	–	–	–	(0.8)	(0.8)	(3.4)	(0.8)	(1.3)	(10.4)	(6.3)	(2.3)	–	2,435.9
Operating income	1,667.9	0.7	4.5	(5.2)	1.9	–	–	–	–	0.8	0.8	3.4	0.8	1.3	10.4	6.3	2.3	–	1,695.8
Other income (expense), net	(52.6)	–	–	–	–	0.3	(1.2)	23.2	44.1	–	–	–	–	–	–	–	–	10.3	24.1
Income before income taxes	1,484.8	0.7	4.5	(5.2)	1.9	0.3	(1.2)	23.2	44.1	0.8	0.8	3.4	0.8	1.3	10.4	6.3	2.3	10.3	1,589.4
Income tax (provision) benefit	(422.1)	(0.2)	(1.2)	1.4	(0.5)	(0.1)	0.3	(6.2)	12.6	(0.2)	(0.2)	(0.9)	(0.2)	(0.4)	(2.8)	(1.4)	(0.6)	(2.7)	(425.4)
Net income	1,062.7	0.5	3.3	(3.8)	1.4	0.2	(0.9)	17.0	56.7	0.6	0.6	2.5	0.6	0.9	7.6	4.9	1.7	7.6	1,164.0
Net income attributable to non-controlling interests	(2.6)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(2.6)
Net income attributable to LAD	**$1,060.1**	**0.5**	**3.3**	**3.8**	**1.4**	**0.2**	**(0.9)**	**17.0**	**56.7**	**0.6**	**0.6**	**2.5**	**0.6**	**0.9**	**7.6**	**4.9**	**1.7**	**7.6**	**$1,161.4**
Diluted earnings per share	$36.54	0.02	0.11	(0.12)	0.05	0.01	(0.03)	0.59	1.95	0.02	0.02	0.09	0.02	0.03	0.26	0.17	0.06	0.26	$40.03
Diluted share count	29.0																		

* Sum of QTD may not equal YTD due to rounding

Supplemental Information

EBITDA, Adjusted EBITDA, and Net Debt

$M	YTD’2022	FY’2021	FY’2020	FY’2019
Net Income attributable to LAD	673.6	$1,060.1	$470.3	$271.5
Add: Net Income attributable to non-controlling interests	7.7	2.6	–	–
Add: Flooring Interest Expense	8.7	22.3	34.4	72.8
Add: Other Interest Expense	64.5	108.2	73.1	60.6
Add: Income Taxes	256.7	422.1	178.2	103.9
Add: Depreciation and Amortization	80.2	127.3	92.3	82.4
EBITDA	$1091.4	$1,742.6	$848.3	$591.2
Less: Flooring Interest Expense	(8.7)	(22.3)	(34.4)	(72.8)
Less: Used Vehicle Line of Credit Interest	(2.2)	(0.1)	(0.5)	(5.5)
Add: Acquisition Expenses	8.1	20.2	3.0	2.5
Add (Less): Loss (Gain) on Divestitures & Investments	(13.1)	66.4	(60.4)	(9.7)
Add: Reserve Adjustments	33.0	5.8	6.1	9.5
Add: Loss on Redemption of Senior Notes	–	10.3	–	–
Add: Asset Impairments	–	1.9	7.9	2.6
Adjusted EBITDA	$1,108.5	$1,824.8	$770.0	$517.8
Total Debt	$6,313.0	$4,599.5	$3,927.9	$3,537.4
Less: Temporary paydown on flooring	–	(113.4)	(113.4)	–
Less: Floor Plan Related Debt	(2,534.3)	(1,690.1)	(1,797.2)	(2,216.6)
Less: Cash and Cash Equivalents	(113.2)	(174.8)	(162.4)	(84.0)
Less: Availability on Used Vehicle and Service Loaner Facility	(30.7)	(267.4)	(491.0)	(239.8)
Net Debt	$3,634.8	$2,353.8	$1,363.9	$997.0

Thank You